

# Fiscal Note

*Fiscal Services Division*



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**HF 272** – Grain Inventory Excise Tax (LSB 2169YH)

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Fiscal Note Version – New

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## **Description**

**House File 272** repeals the grain handling tax. Under current law, the grain stored in elevators or other defined facilities is taxed at \$0.25 per thousand bushels of grain. The tax is divided among the local taxing jurisdictions.

## **Assumptions**

During 2007 and 2008, there were approximately 3.5 billion bushels of grain each year subject to the grain handling tax, generating approximately \$870,000 for local taxing jurisdictions in FY 2009 and FY 2010.

Grain handling tax distributed to local school districts is considered miscellaneous income and does not replace any specific levies, including the uniform levy.

The fiscal analysis below assumes similar totals for bushels of grain subject to the grain handling tax in future years.

The effective date is July 1, 2009, impacting local taxing jurisdictions beginning in FY 2011.

## **Fiscal Impact**

There is no impact to the State General Fund.

The estimated fiscal impact in FY 2011 and future fiscal years to local taxing jurisdictions is an annual Statewide reduction of \$870,000.

## **Sources**

Iowa Department of Revenue  
LSA Calculations

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/s/ Holly M. Lyons

March 5, 2009

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56, Code of Iowa](#). Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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